

SURETY ESTIMATE UPDATE

Geneva Steel

Keigley Quarry M/049/001 Utah County

Prepared by Utah Division of Oil, Gas & Mining

Last Update

October 11, 1991

DESCRIPTION:

- Original reclamation estimate calculated in 1988 (\$448,600 -1988 \$)
- Estimate was originally escalated to 1993-\$ using 2.3% => \$502,600
- Letter of 2/17/89 adjusted surety using future rate projected from 1989 (2.0%)
- This is meant to clarify/document the 1989 surety update
- This surety is due for its 5 year review in 1994
- Escalation factors through 1988 are actual Means Historical Cost Indices
- Current future escalation factor is now 1.45% (for 1991 forward)

CALCULATIONS		Keigley Quarry	
		ESCAL FACTOR	BOND AMOUNT
	YR		
	1980	0.0860	\$0
	1981	0.0991	\$0
	1982	0.0940	\$0
	1983	0.0104	\$0
F = P(1 + i)*n	1984	0.0092	\$0
	1985	0.0290	\$0
F = Future Sum	1986	0.0210	\$0
P = Present Sum	1987	0.0195	\$0
i = Escalation Factor	1988	0.0181	\$448,600
n = number of periods	1989	0.0200	\$457,572
	1990	0.0200	\$466,723
	1991	0.0200	\$476,058
	1992	0.0200	\$485,579
	1993	0.0200	\$495,291
	1994	0.0200	\$505,196

Updated Surety Amount Rounded (1994 \$) \$505,000

Estimated total disturbed acreage 400

Avg. cost per acre = \$1,263